



Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

Division of Health Care Financing
Department of Health and Family Services
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Act now if you want to change your HIRSP coverage for 2005

October 1, 2004

Attention Plan 1 Policyholders:

This letter is to inform you that you may change your 2005 HIRSP coverage **by choosing between Option A and Option B**. Making a change will affect how much you pay in premiums, deductibles, and out-of-pocket costs. If you are satisfied with your current coverage, you do not have to do anything during this “Choice of Coverage” time. However, you may wish to review this checklist of important considerations before making your decision:

- o This is the **only** time during the year that you may change your coverage.
- o If you change your coverage at this time, your new coverage will be **effective on January 1, 2005**, and will remain in effect **for the entire year**. Likewise, if you do **not** change your coverage, your current coverage option will remain in effect for all of 2005.
- o When comparing the premium rates for Option A and Option B, take the deductible amounts into consideration. Although Option B generally has lower premiums, it has a higher deductible (\$2,500) and therefore, your out-of-pocket expenses may be greater. Option A has higher premiums, but has a lower deductible (\$1,000) with lower out-of-pocket costs. See the attached *Quarterly Premium Rate Tables*.
- o If you are currently enrolled in Option A and receive reductions in premium, deductible, and drug coinsurance, you would lose them by changing to Option B. If you are enrolled in Option B and change to Option A, you will be able to apply for these reductions. Note that reductions are only available to policyholders with annual household incomes of less than \$25,000.
- o Consider the cost of medical services and prescription drug services you use in one year to see which medical deductible option and corresponding drug coinsurance out-of-pocket maximum would best serve you. See the *Plan 1 Policy Options Table* on the reverse side.
- o Review your financial situation and include planning for a potential premium rate increase in July 2005. According to state law, the HIRSP premium rates must be set to cover claims and administrative expenses, and must be a specific percentage higher than the average of the rates charged by Wisconsin’s commercial health insurers for policies with coverage similar to HIRSP. Commercial health insurance rates are expected to increase, on average, 13-18%, but could be higher or lower depending on actual marketplace trends and insurer experience.
- o To change coverage, **HIRSP must receive your application by November 1, 2004**. The *Choice of Coverage Request* form is attached.

If you have questions, please call HIRSP Customer Service at (800) 828-4777 or (608) 221-4551.

For more information about HIRSP, visit wisconsin.gov or our Web site at dhfs.wisconsin.gov/hirsp/

	Plan 1 Policy Options	
	Plan 1, Option A	Plan 1, Option B
Premiums	Refer to attached rate tables.	Refer to attached rate tables.
Premium reductions available if you qualify	Yes* (See below).	No.
Medical deductible (You pay)	\$1,000 per year.	\$2,500 per year.
Medical deductible reductions available if you qualify	Yes** (See below).	No.
Medical coinsurance (You pay)	20% of allowed amount, \$1,000 total per year.	20% of allowed amount, \$1,000 total per year.
Individual medical out-of-pocket maximum (Your total expenditures for medical deductible and medical coinsurance, after which HIRSP will pay at 100%.)	\$2,000 per year. This does not include drug coinsurance.	\$3,500 per year. This does not include drug coinsurance.
Family medical out-of-pocket maximum (All family members must be on the same plan.)	\$4,000 per year. This does not include drug coinsurance.	\$7,000 per year. This does not include drug coinsurance.
Drug coinsurance (You pay)	20% of the allowed amount up to a maximum of \$25 per prescription.	20% of the allowed amount up to a maximum of \$25 per prescription.
Drug coinsurance out-of-pocket maximum (Your total expenditures for drug coinsurance, after which HIRSP will pay at 100%.)	\$750 per year. This is in addition to your medical coinsurance.	\$1,000 per year. This is in addition to your medical coinsurance.
Drug coinsurance out-of-pocket maximum reductions available if you qualify	Yes** (See below).	No.
<p>*Available for policyholders with household incomes of less than \$25,000. If you are interested in receiving premium reductions, contact HIRSP Customer Service at (800) 828-4777 or (608) 221-4551 for more information.</p> <p>**Available for policyholders with household incomes of less than \$20,000. If you are interested in receiving these reductions, contact HIRSP Customer Service at (800) 828-4777 or (608) 221-4551 for more information.</p>		

How to read HIRSP's Quarterly Premium Rate Tables

You should review the rate tables on the other side of this page to determine if you would benefit from changing your HIRSP coverage.

Complete the following steps:

1. Find the table that currently applies to you. Tables are listed by plan and option and gender. If you do not know which plan and option you are enrolled in, please refer to your HIRSP identification card.
2. Find your age bracket in the table.
3. Find your zone as indicated by the ZIP code ranges as defined in the key below the tables.
4. Find the box where the age row and zone column meet. This is your current quarterly premium, excluding reductions for premium, deductible, and drug coinsurance out-of-pocket maximum.
5. Find the table either immediately above or below your current rate table. This table will show your premium if you choose to change your HIRSP plan option.
6. Repeat steps 2-4 above to see what the premium would be if you choose HIRSP's other Plan 1 coverage option.
7. Compare the rates and deductibles.

Example

A 42-year-old Milwaukee woman in Plan 1, Option A, would make the following comparison.

She would find the table saying "Plan 1, Option A/Female," look down the "Age Bracket" column to the row identified as "40-44," and read across to "Zone 1" (ZIP codes 532__) to find a quarterly premium of \$1,293.

She would then look at the "Plan 1, Option B/Female" table, find age bracket "40-44," and read across to the "Zone 1" column to find a premium of \$930.

Wisconsin Health Insurance Risk Sharing Plan (HIRSP)

Quarterly Premium (Without Premium Reductions)

Household Income* \$25,000.00 or More

Effective Date: July 1, 2004

Plan 1, Option A/Male (\$1,000 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 24	\$618.00	\$558.00	\$495.00
25 - 29	\$651.00	\$585.00	\$522.00
30 - 34	\$735.00	\$663.00	\$588.00
35 - 39	\$861.00	\$777.00	\$690.00
40 - 44	\$1,032.00	\$927.00	\$828.00
45 - 49	\$1,332.00	\$1,200.00	\$1,068.00
50 - 54	\$1,782.00	\$1,605.00	\$1,425.00
55 - 59	\$2,349.00	\$2,112.00	\$1,878.00
60 - 64	\$3,021.00	\$2,718.00	\$2,415.00
65 +	\$3,021.00	\$2,718.00	\$2,415.00

Plan 1, Option A/Female (\$1,000 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 18	\$618.00	\$558.00	\$495.00
19 - 24	\$786.00	\$705.00	\$630.00
25 - 29	\$879.00	\$789.00	\$705.00
30 - 34	\$984.00	\$882.00	\$786.00
35 - 39	\$1,125.00	\$1,011.00	\$900.00
40 - 44	\$1,293.00	\$1,164.00	\$1,032.00
45 - 49	\$1,524.00	\$1,374.00	\$1,218.00
50 - 54	\$1,824.00	\$1,641.00	\$1,461.00
55 - 59	\$2,130.00	\$1,914.00	\$1,704.00
60 - 64	\$2,496.00	\$2,247.00	\$1,998.00
65 +	\$2,496.00	\$2,247.00	\$1,998.00

Plan 1, Option B/Male (\$2,500 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 24	\$444.00	\$402.00	\$357.00
25 - 29	\$468.00	\$420.00	\$375.00
30 - 34	\$528.00	\$477.00	\$423.00
35 - 39	\$621.00	\$558.00	\$498.00
40 - 44	\$744.00	\$666.00	\$597.00
45 - 49	\$960.00	\$864.00	\$768.00
50 - 54	\$1,284.00	\$1,155.00	\$1,026.00
55 - 59	\$1,692.00	\$1,521.00	\$1,353.00
60 - 64	\$2,175.00	\$1,956.00	\$1,740.00
65 +	\$2,175.00	\$1,956.00	\$1,740.00

Plan 1, Option B/Female (\$2,500 deductible)			
Age Bracket	Zone		
	1	2	3
0 - 18	\$444.00	\$402.00	\$357.00
19 - 24	\$567.00	\$507.00	\$453.00
25 - 29	\$633.00	\$567.00	\$507.00
30 - 34	\$708.00	\$636.00	\$567.00
35 - 39	\$810.00	\$729.00	\$648.00
40 - 44	\$930.00	\$837.00	\$744.00
45 - 49	\$1,098.00	\$990.00	\$876.00
50 - 54	\$1,314.00	\$1,182.00	\$1,053.00
55 - 59	\$1,533.00	\$1,377.00	\$1,227.00
60 - 64	\$1,797.00	\$1,617.00	\$1,440.00
65 +	\$1,797.00	\$1,617.00	\$1,440.00

Zone 1 = ZIP codes **532**__

Zone 2 = ZIP codes **530**__, **531**__, **534**__, and **537**__

Zone 3 = All other ZIP codes

* Household Income as defined in Wisconsin Statute s. 71.52(5)

Instructions for reading the rate tables are on the other side of this page.

